

Emerging Markets Fund Fact Sheet

December 2011

BEDLAM
ASSET MANAGEMENT

The house always wins

In a year where investors became embroiled in the intricacies of Middle Eastern political upheaval, crushing European sovereign debts and Japanese nuclear catastrophe, December felt like something of an anti-climax. The so-called “Santa rally” never really materialised, with emerging market equities virtually unchanged on the month. The fund’s monthly fall of 2.7% was a disappointing end to a strong year, as it outperformed the index by nearly 7% in 2011. What news did come out was broadly positive - the US economy continued to show signs of sustained improvement, whilst the Chinese central bank confronted fears of a “hard landing” in the economy by lowering the reserve requirement ratio to stimulate lending and spending.

The main detractors from fund performance were the holdings in gold mining companies, as a significantly stronger dollar (particularly against a steadily weakening euro) led to a 10% tumble in the price of gold and an even bigger fall in the broad gold-mining index. We are comfortable with the outlook for this safe-haven asset - 2011 offered no resolution to the risks of sovereign default and financial stress and no end to central bank money-printing, all of which should underpin demand for gold. The biggest positive contributor for the month was the fund’s exposure to global gambling companies, with gaming hardware manufacturers **Universal Entertainment** (Japan) and **Shuffle Master** (US) enjoying strong gains, along with **Nagacorp** (listed in Hong Kong), which enjoys a 200km-radius casino monopoly in Cambodia. 2012 should be another strong year for global gambling, as western governments look to increase tax revenues from legalised betting to bolster their public coffers and consumers in emerging markets seek new ways to “dispose of” their increasing disposable income.

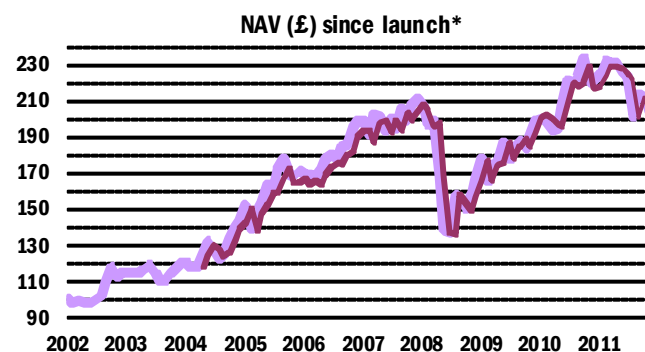
There were three noteworthy transactions in the month: two outright sales and one new addition. Brazilian infrastructure and construction play **Mills** was sold in the face of slowing growth rates and weakening demand for their core business, whilst Hong Kong television company **TVB** went the same way as the company forecast higher costs and a softening revenue outlook due to a new entrant in the market. The new addition to the portfolio was Malaysian medical glove manufacturer **Top Glove**, which is set to enjoy higher sales due to increased adoption of gloves in hospitals and clinics in developing countries. The company has also laid out an aggressive expansion plan that, coupled with falling commodity prices, should lower costs.

Moving into 2012, the fund remains positioned to benefit from industry and stock-specific catalysts, with a bias toward compelling valuations irrespective of standard regional or index weightings.

Key Data

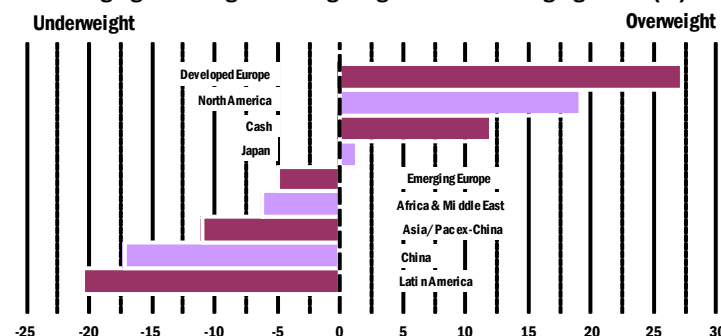
Fund Size	£3.8m	Fund Managers	Ian McCallum
NAV A Share	£205.29		Jonathan Compton
NAV B Share	£204.17	Initial Charge	Zero
Launch Date/Price	Dec 2002/£100	AMC (B Share)	1.25%

Investment Strategy Unconstrained investment in listed emerging market equities, using Bedlam’s proprietary single investment process

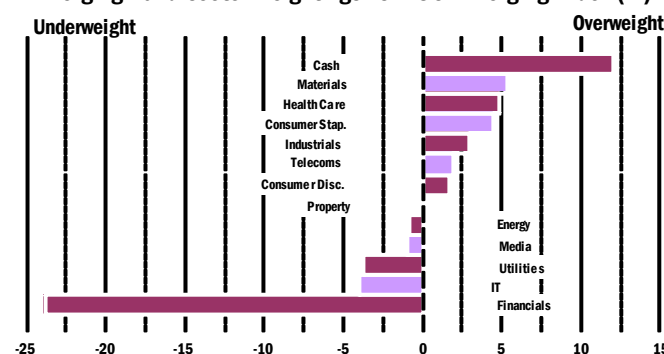


% Total Return	Month	YTD	1 Year	3 Year (annualised)	5 Year (annualised)	Since Launch (annualised)
A share	-3.1	-12.1	-12.1	11.0	5.6	10.9
B share	-2.7	-11.1	-11.1	11.1	5.8	N/A
MSCI Emerging TR	0.1	-17.7	-17.7	17.9	7.6	16.5

Emerging Fund regional weightings vs MSCI Emerging Index (%)



Emerging Fund sector weightings vs MSCI Emerging Index (%)



Top 10 Holdings (%)

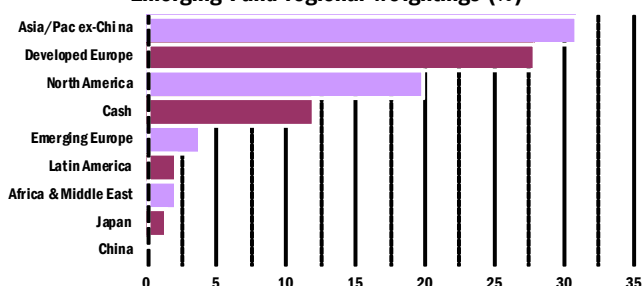
Company	Weighting (%)	Category	Weighting (%)
Check Point	5.0	Buy	New weighting (%)
Hutchison Telecomm	4.7	Top Glove	2.1
Yamana Gold Inc	4.7		
Kinnevik	4.2		
Australian Agricultural	4.0		
Mobile Telesystems ADR	3.7	Sell	New weighting (%)
Fresnillo	3.4	Giant Manufacturing	1.9
BG Group	3.3	Universal Ent.	1.3
Syngenta	3.2	Mills	0.0
Carlsberg	3.1	Television Broadcasts	0.0

Transactions

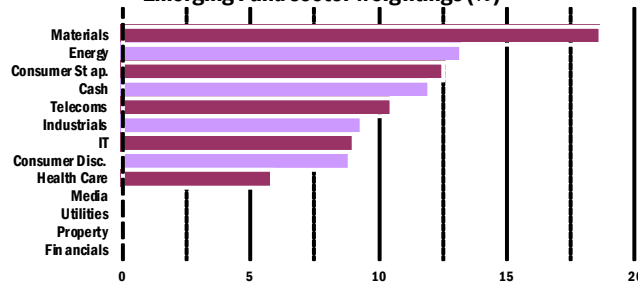
Performance Attribution

Category	Positive (%)	Negative (%)	
Country & Sector +		Country & Sector -	
Hong Kong	0.3	Canada	-1.5
Japan	0.3	Russia	-0.6
Consumer Discretionary	0.9	Precious Metals	-1.9
Soft Commodities	0.1	Telecomms.	-0.4
Stock +		Stock -	
Universal Entertainment	0.3	Yamana Gold	-0.6
Giant Manufacturing	0.2	Mobile Telesystems ADR	-0.6
Nagacorp	0.2	Goldcorp	-0.5

Emerging Fund regional weightings (%)



Emerging Fund sector weightings (%)



Policy and Objectives

The twin investment objectives are the preservation of capital and the generation of an absolute total return which is significantly in excess of those available from bank deposits and government bonds. These are to be achieved through investment primarily in listed equities meeting Bedlam's proprietary single investment process, which is focused on identifying the best businesses operating in emerging markets and is unconstrained by indices. The investment universe comprises any country outside of the G7 industrialised nations, and equity securities listed on any recognised exchange for which at least 40% of revenue, assets, income or expenditure is derived outside of the G7 countries. The fund will hold a concentrated portfolio of normally 25 to 50 securities and aims always to be fully invested, although it can default up to 60% in cash/near-cash instruments in the event that sufficient stocks cannot be found which meet the strict investment criteria. Simple index put options can be utilised in the interests of capital preservation as part of efficient portfolio management.

Fund Structure

The Fund is an Open Ended Investment Company (OEIC) regulated by the Central Bank of Ireland and fully authorised by the Financial Services Authority (FSA). It has single pricing, in Sterling or Euros, with the option to receive income, or to re-invest. There are three share classes available. 'A' and 'B' shares differ only in their management fees. The A share NAV ('No Gain, No Fee') is net of the daily accrued management fee of up to 1.25% per quarter; this is rebated to the fund post each quarter-end if the quarterly absolute return is less than 1.25%. The B share NAV is after a daily accrued management fee of 1.25% p.a. and any accrued quarterly performance fee based on two absolute return criteria. 'C' shares are € denominated and carry an annual management fee of 1%.

Dealing & Administration (via Northern Trust)

Pricing	Daily, 12 midday	Telephone	00 353 1 542 2907
Dealing cut-off point	5pm	Fax	00 353 1 434 5231
SEDOL 'A' shares	3203914	Dividends	Distributor status
ISIN 'A' shares	IE0032039145	Ex-dividend dates	31 March / 30 September
SEDOL 'B' shares	B02YS72	Pay/reinvest dates	April / October
ISIN 'B' shares	IE00B02YS725	Minimum investment	£3,000 (A & B Share)
ISA	Yes		€500,000 (C Share)
SIPP/SASS	Yes		

Bedlam Asset Management plc is authorised and regulated by the Financial Services Authority (212757).

Bedlam Funds plc is regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2003 (the 'UCITs Regulations') and is a recognised collective investment scheme for the purposes of section 264 of the United Kingdom Financial Services and Markets Act, 2000. Shares in Bedlam Funds plc may only be sold on the terms of, and pursuant to, its most recent prospectus.

This document is not investment advice or a recommendation to purchase, hold or sell a security. Past performance is not a reliable indicator of future results.